

SENATE BILL

No. 6

Introduced by Committee on Budget and Fiscal Review

January 27, 2003

An act to amend Section 39612 of, and to add Section 39613 to, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 6, as introduced, Senate Committee on Budget and Fund Review. Air pollution: permit fees on nonvehicular sources.

(1) Existing law designates air pollution control districts and air quality management districts as having the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law authorizes each district to establish a permit system that requires, except as specified, that before any person builds, erects, alters, replaces, operates, or uses any article, machine, equipment, or other contrivance that may cause the issuance of air contaminants, the person obtain a permit from the air pollution control officer of the district. Existing law also authorizes each district board to adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of those permits. Existing law authorizes the State Air Resources Board to require districts to impose additional permit fees on nonvehicular sources within their jurisdiction for the purposes of recovering costs of additional state programs related to those sources. Existing law requires that priority for expenditure of those permit fees be given to specified activities relating to air pollution from nonvehicular sources, and requires that those permit fees be collected from nonvehicular sources that are authorized by district permits to emit 500 tons or more per year of any nonattainment pollutant or it

precursors. Existing law also limits the total amount of funds collected by those permit fees, exclusive of district administrative costs, to \$3,000,000 in any fiscal year. Existing law requires an annual report to the Governor and the Legislature on the expenditure of those permit fees.

This bill would authorize the state board to impose additional permit fees directly on nonvehicular sources within a district's jurisdiction. The bill would also authorize the state board to require a district to collect those fees, to establish a system for direct collection of those fees by the state board, and to contract with any other state agency for the collection of those fees. The bill would lower the threshold emission level for the imposition of the permit fees on nonvehicular sources by requiring those fees to be collected from nonvehicular sources that are authorized by the district to emit 250 tons or more per year of any nonattainment pollutant or its precursor. The bill would remove the limit on the total amount of funds that may be collected by the districts in permit fees. The bill would require the annual report to include the expenditure of permit fees imposed as described in (2), below. The additional duties for districts under this bill would impose a state-mandated local program.

(2) Existing law requires the state board to adopt regulations to achieve the maximum feasible reduction in volatile organic compounds emitted by consumer products, as defined, if the state board determines that the regulations are necessary to attain state and federal air quality standards, and that the regulations are commercially and technologically feasible and necessary.

This bill would require the state board to impose a fee on any consumer product and any architectural coating sold in the state, if a manufacturer's total sales of consumer products or architectural coatings will result in the emission in the state of 250 tons per year or greater of volatile organic compounds. The bill would require that revenues collected from the imposition of the fee be used to mitigate or reduce air pollution in the state created by consumer products and architectural coatings, as determined by the state board, and that the revenues be expended solely for those purposes.

(3) Existing law makes a violation of any rule, regulation, permit, or order of the state board or of a district a misdemeanor. By expanding the scope of a crime, this bill would impose a state-mandated local program.



(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39612 of the Health and Safety Code is
2 amended to read:
3 39612. (a) In addition to funds that may be appropriated by
4 the Legislature to the state board to carry out the additional
5 responsibilities and to undertake necessary technical studies
6 required by this chapter, the state board may ~~require districts to~~
7 impose additional permit fees on nonvehicular sources within ~~their~~
8 *a district's jurisdiction.*
9 (b) (1) *The state board may do any of the following with*
10 *respect to the collection of fees on nonvehicular sources imposed*
11 *pursuant to subdivision (a):*
12 (A) *Upon obtaining the concurrence of the district, require a*
13 *district to collect the fees.*
14 (B) *Establish a system in which the state board collects the fees*
15 *directly.*
16 (C) *Contract with any other state agency to collect the fees.*
17 (2) *If the state board establishes a system to collect fees*
18 *pursuant to subparagraph (B) of paragraph (1) or contracts with*
19 *another state agency to collect the fees pursuant to subparagraph*
20 *(C) of paragraph (1), each district shall provide any information*
21 *necessary to ensure the accurate and efficient collection of the fees*
22 *from nonvehicular sources.*

(c) The permit fees imposed pursuant to this section shall be expended only for the purposes of recovering costs of additional state programs related to nonvehicular sources. Priority for expenditure of permit fees collected pursuant to this section shall be given to all of the following activities:

(1) Identifying air quality-related indicators that may be used to measure or estimate progress in the attainment of state ambient air standards pursuant to subdivision (f) of Section 39607.

(2) Establishing a uniform methodology for assessing population exposure to air pollutants pursuant to subdivision (g) of Section 39607.

(3) Updating the emission inventory pursuant to Section 39607.3, including emissions that cause or contribute to the nonattainment of federal ambient air standards.

(4) Identifying, assessing, and establishing the mitigation requirements for the effects of interbasin transport of air pollutants pursuant to Section 39610.

(5) Updating the state board's guidance to districts on ranking control measures for stationary sources based upon the cost effectiveness of those measures in reducing air pollution.

~~(e)~~

(d) The permit fees imposed pursuant to this section shall be collected from nonvehicular sources that are authorized by district permits to emit ~~500~~ 250 tons or more per year of any nonattainment pollutant or its precursors.

~~(d)~~

(e) The permit fees collected by a district pursuant to this section, after deducting the administrative costs to the district of collecting the fees, shall be transmitted to the Controller for deposit in the Air Pollution Control Fund.

~~(e) The total amount of funds collected by fees imposed pursuant to this section, exclusive of district administrative costs, shall not exceed three million dollars (\$3,000,000) in any fiscal year.~~

(f) On or before January 1 of each year, the state board shall report to the Governor and the Legislature on the expenditure of permit fees collected pursuant to this section *and Section 39613*. The report shall include a report on the status of implementation of the programs prioritized for funding pursuant to subdivision ~~(b)~~ (c).

1 SEC. 2. Section 39613 is added to the Health and Safety Code,
2 to read:

3 39613. The state board shall impose a fee on any consumer
4 product, as defined in Section 41712, sold in the state and any
5 architectural coating sold in the state if a manufacturer's total sales
6 of consumer products or architectural coatings will result in the
7 emission in the state of 250 tons per year or greater of volatile
8 organic compounds. Revenues collected from the imposition of
9 this fee shall be used to mitigate or reduce air pollution in the state
10 created by consumer products and architectural coatings, as
11 determined by the state board, and shall be expended solely for
12 those purposes.

13 SEC. 3. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution for
15 certain costs that may be incurred by a local agency or school
16 district because in that regard this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.

22 However, notwithstanding Section 17610 of the Government
23 Code, if the Commission on State Mandates determines that this
24 act contains other costs mandated by the state, reimbursement to
25 local agencies and school districts for those costs shall be made
26 pursuant to Part 7 (commencing with Section 17500) of Division
27 4 of Title 2 of the Government Code. If the statewide cost of the
28 claim for reimbursement does not exceed one million dollars
29 (\$1,000,000), reimbursement shall be made from the State
30 Mandates Claims Fund.

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